## Message Text

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ACTION SS-30

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FM AMEMBASSY THE HAGUE

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INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CAIRO

AMEMBASSY COPENHAGEN

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY DUBLIN

AMEMBASSY JIDDA

AMEMBASSY TEL AVIV

USINT ALGIERS

USMISSION NATO

USMISSION EC BRUSSELS

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**EXDIS** 

E.O. 11652: GDS

TAGS: PFOR, XF, NL

SUBJECT: ASST. SECRETARY HARTMAN'S JUNE 5 MEETING WITH FONMIN VAN DER STOEL

SUMMARY. DURING FIRST PART OF CONVERSATION ASST. SECRETARY HARTMAN EXPRESSED APPRECIATION FOR EC OFFER TO CONSULT WITH US PRIOR TO DECISION TO INITIATE DIALOGUE CONFIDENTIAL

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WITH ARAB STATES. HARTMAN EXPLAINED US CONCERNS ON

BOTH PROCEDURAL AND SUBSTANTIVE GROUNDS. VAN DER STOEL TOOK NOTE, SAID OTHERS OF THE NINE, ESPECIALLY THE BRITISH, SHOULD BE MADE AWARE OF THESE CONCERNS AND REITERATED THAT GON POSITION FROM THE BEGINNING HAD BEEN THAT DIALOGUE SHOULD IN NO WAY ADVERSELY AFFECT SECRETARY KISSINGER'S EFFORTS TO BRING PEACE TO THE MIDDLE EAST. ADMITTING SURPRISE AT OPEC'S RECENT DECISION TO MAINTAIN OIL BOYCOTT AGAINST THE NETHERLANDS, VAN DER STOEL SAID SUADI ARABIA WAS APPARENTLY RESPONSIBLE FOR THIS AND EXPRESSED APPRECIATION FOR US WILLINGNESS TO TAKE THIS UP WITH PRINCE FUAD DURING HIS WASHINGTON VISIT. CONVERSATION ALSO COVERED PORTUGAL, PROPOSED NATO DECLARATION, REPORTED SEPTELS. END SUMMARY.

1. AFTER AN EXCHANGE OF AMENITIES, VAN DER STOEL LED OFF THE MEETING BY REFERRING TO MESSAGE WHICH EC PRESIDENCY (FRG) HAD COMMUNICATED RE THE SECRETARY'S DESIRE FOR CONSULATION ON THE PROPOSED EC-ARAB DIALOGUE PRIOR TO THE NEXT MEETING OF THE EC FONMINS JUNE 10-11. CHARACTERIZING THIS AS A "DELICATE SUBJECT" REQUIRIRING CLOSE CONTACTS WITH THE US, VAN DER STOEL SAID THAT HIS GOVERNMENT'S POSITION FROM THE BEGINNING HAD BEEN THAT IT WAS INCUMBENT UPON THE NINE TO PREVENT ANY MISUNDERSTANDINGS WITH THE US AND TO AVOID TAKING ANY ACTION IN CONNECTION WITH THE PROPOSED DIALOGUE THAT WOULD MAKE SECRETARY KISSINGER'S TASK MORE DIFFICULT. VAN DER STOEL ADDED THAT THE MAINTENANCE OF THE OIL BOYCOTT MADE IT DIFFICULT FOR THE DUTCH AT LEAST TO CONTEMPLATE GETTING INTO SUBSTANCE IN THE DIALOGUE.

2. HARTMAN SAID US WAS VERY PLEASED THAT EC HAD OFFERED TO CONSULT ON THIS IMPORTANT SUBJECT. JUST YESTERDAY WE HAD RECEIVED VAN WELL'S REPORT OF TOPICS THAT MIGHT BE COVERED IN THE DIALOGUE AND WE WERE LOOKING AT THEM. AS A GENERAL PROPOSITION THE US BELIEVES THAT IT IS USEFUL, INDEED ESSENTIAL, FOR EUROPE TO BE PRESENT IN THE MIDDLE EAST. THE EUROPEAN ALTERNATIVE IS NEEDED SO THAT THE SOVIETS WOULD NOT BE THE RECIPIENTS OF ANY DIVERSION OF ATTENTION FROM THE US. WE AND THE EC OUGHT TO KNOW MORE ABOUT OUR RESPECTIVE CONVERSATIONS, THE ASST. SECRETARY ADDED. CONFIDENTIAL

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3. HARTMAN EXPLAINED THAT THE US HAD BEEN CONCERNED ALL ALONG ABOUT THE EC PROCEDURE OF TALKING TO 20 ARAB STATES AS A GROUP WHICH INCLUDES BOTH MODERATES AND RADICALS. WE HAVE ALSO BEEN CONCERNED ABOUT THE POSSIBLE MIXTURE OF OIL WITH POLITICAL QUESTIONS.

4. TURNING TO OPEC'S RECENT DECISION TO MAINTAIN THE

BOYCOTT AGAINST THE NETHERLANDS, THE ASST. SECRETARY SAID WE INTENDED TO RAISE THIS SUBJECT WITH PRINCE FUAD DURING HIS WASHINGTON VISIT. WE WERE SURPRISED BY OPEC'S DECISION AND INFERRED THATOTHER ISSUES WERE INVOLVED, E.G., DISAGREEMENT BETWEEN IRANIANS AND SAUDIS OVER PRICING POLICY(ALTHOUGH IT IS NOT CLEAR TO US HOW THIS MIGHT HAVE AFFECTED THE DECISION TO MAINTAIN THE BOYCOTT AGAINST HOLLAND).

5. FONMIN COMMENTED THAT DUTCH, TOO, WERE SURPRISED BY OPEC'S DECISION. HE REFERRED TO HIS LAST CONVERSATION WITH THE SECRETARY IN WASHINGTON (APRIL 13), WHICH HAD ENCOURAGED THE EXPECTATION THAT THE BOYCOTT WOULD BE LIFTED AT AN EARLY DATE. VAN DER STOEL SAID HIS GOVERN-MENT WOULD APPRECIATE US RAISING THIS QUESTION WITH THE SAUDIS WHO, ACCORDING TO DUTCH INFORMATION, WERE THE ONLY OPEC MEMBER WHO HAD INSISTED ON MAINTAINING THE BOYCOTT. SPECULATING ON POSSIBLE REASONS FOR THE MAINTENANCE OF THE BOYCOTT, HARTMAN WONDERED WHETHER THE ARAB STATES MIGHT HAVE FELT IT WAS USEFUL PENDING THE ACTUAL OPENING OF THE PROPOSED DISLOGUE. VAN DER STOEL SAID THE DUTCH HAD HEARD THAT THE SAUDIS WERE NOT VERY INTERESTED IN THE DIALOGUE BECAUSE THEY DID NOT EXPECT TO PLAY A LEADING ROLE IN IT. THEREFORE, THEY HAD DECIDED IT WAS IN THEIR INTEREST TO BLOCK IT BY MAINTAINING THE BOYCOTT.

6. REVERTING TO THE EC-ARAB DIALOGUE, HARTMANN SAID WE DID NOT YET HAVE A POSITION ON SOME OF THE MATTERS MENTIONED BY VAN WELL. HARTMAN THOUGHT, HOWEVER, THAT THE NINE WOULD WANT TO THINK CAREFULLY ABOUT CERTAIN OF THE AGENDA POINTS, E. G., GUARANTEEING THE ASSETS OF THE OIL PRODUCERS. THE ASST. SECRETARY POINTED OUT THAT SUCH ACTION WOULD HAVE RAMIFICATIONS FOR THE WHOLE CONFIDENTIAL

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INTERNATIONAL MONETARY SYSTEM. HE NOTED IN THIS CONNECTION THAT THE EC-20 MEETINGS WERE DISCUSSING THE WHOLE QUESTION OF HOW TO RECYCLE MONEY GOING TO THE OIL PRODUCING STATES. HARTMAN MENTIONED US BILATERAL TALKS WITH SAUDIS COVERING INTER ALIA SAUDI ARABIAN ECONOMIC DEVELOPMENT, PLACEMENT OF ITS FINANCIAL ASSETS ABROAD, AND SCIENCE AND TECHNOLOGY MATTERS SUCH AS INCREASED PRODUCTION OF FERTILIZERS.

7. VAN DER STOEL AND THE ASSISTANT SECRETARY AGREED THAT A DIFFERENTIATION OF INTERESTS WAS EMERGING AMONG THE OIL PRODUCERS. HARTMAN REITERATED HE WAS CONCERNED THAT AN EC MEETING WITH THE 20 STATES MIGHT CONSOLIDATE THEIR POSITION IN A WAY NOT TO THE EUROPEANS' LIKING. THE US WAS AIMING TO DEAL WITH THE STATES ON AN INDIVIDUAL

BASIS. OUR THINKING WAS THAT WE SHOULD NOT RPT NOT BE PUSHING FOR AN EARLY MEETING WITH ALL OF THE PRODUCERS.

8. VAN DER STOEL SAID GON WOULD TAKE NOTE OF THE CONCERNS HARTMAN HAD JUST EXPRESSED, WHICH VAN DER STOEL THOUGHT IT WOULD BE MOST USEFUL TO BRING TO THE ATTENTION OF OTHERS OF THE NINE, ESPECIALLY BRITISH. HE ADDED THAT THE ASST. SECRETARY'S EXPLANATION HAD THROWN NEW LIGHT ON THE WHOLE QUESTION OF THE EC-ARAB DIALOGUE WHICH WOULD STRENGTHEN THE GON'S VIEW THAT THE DIALOGUE SHOULD CONCENTRATE ON ECONOMIC MATTERS.

9. THIS PART OF THE CONVERSATION CLOSED WITH VAN DER STOEL STATING FRANKLY THAT THE FRG'S LETTER TO THE ARABS HAD NOT BEEN HELPFUL TO THE DUTCH BECAUSE IT HAD GENERATED PRESSURES FOR A SIMILAR LETTER WHICH THE GON IN GOOD CONSCIENCE COULD NOT SEND. NOTING THAT JERUSALEM WAS THE KEY FACTOR, VAN DER STOEL EMPHASIZED THAT THE GON REFUSED TO TAKE A POSITION IN FAVOR OF RETURN OF ALL TERRITORIES BECAUSE IT FELT THAT SUCH A POSITION MIGHT HURT THE AMERICAN PEACE EFFORT. VAN DER STOEL AGREED WITH HARTMAN'S IMPRESSION THAT SO FAR VAN WELL SEEMED TO BE TALKING MOSTLY ABOUT PROCEDURES NOT THE SUBANCE OF THE PROPOSED DIALOGUE. VAN DER STOEL MENTIONED THAT THE GON HAD SEVERAL RESERVATIONS RE THE IDEAS PUT FORWARD BY THE EC PRESIDENCY CONFIDENTIAL

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AND REITERATED THAT WHEN THE WHOLE PROCESS STARTED THE NINE WOULD NEED TO STAY IN VERY CLOSE TOUCH WITH THE US.

10. THIS AND OTHER TELEGRAMS REPORTING ON THIS COVERSATION WERE NOT SEEN BY ASST. SECRETARY HARTMAN BEFORE HE LEFT THE HAGUE.
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## Message Attributes

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